GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3077
ANSWERED ON:10.08.2001
CLOSURE OF BANK BRANCHES
BASUDEB ACHARIA

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Government have decided to close down four regional offices as well as fifty branches of United Bank of India; and

(b) if so, the details thereof alongwith the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATH):

(a) and (b) In terms of the extent instructions of Reserve Bank of India (RBI) on Branch Licensing Policy, the banks are free to close down their regional offices and branches at centres, other than rural centres, without prior approval from RBI. However, the banks should ensure that the locality/ward is not rendered unbanked due to such closures. United Bank of India (UB1) has reported that as part of its restructuring plan it has merged four of its regional offices with other regions, reducing its total number of regional offices from 32 to 28. UB1 has further reported that it planned to merge 55 of its loss-making and stagnating branches during the period 2000-2001 to 2002-2003, out of which it has already merged 18 branches during 2000-2001 and 27 branches will be merged during the current year.